

Public Hearing Minutes  
Breckenridge City Commission

August 22, 2017 – 5:30 P.M.  
Breckenridge City Offices Commission Chambers  
105 North Rose Avenue  
Breckenridge, Texas 76424

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**Those Present:** Jimmy McKay, Mayor; Tom Cyprian, Commissioner; Russell Blue, Commissioner; Andy McCuiston, City Manager; Heather Robertson-Caraway, City Secretary; Bob Sims; Tommy Dittmar; Helen Burton

**Those Absent:** Rob Durham, Commissioner; David Wimberley, Commissioner

**1. Call to Order**

Jimmy McKay, Mayor, at 5:30 pm a quorum was established

**PUBLIC HEARING**

**2. Discussion: City of Breckenridge Tax Increase**

Mayor McKay stated this public hearing is on:

“A tax rate of \$ 1.03650 per \$100 valuation has been proposed for adoption to the governing body of the City of Breckenridge. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.”

Mayor McKay opens the public hearing for discussion.

Helen Burton – I would like to know who is raising the taxes? City Manager McCuiston raises his hand to acknowledge he has proposed the tax rate to the Commission. Helen Burton – This is an oil & gas town and we haven't had a working interest check in 32 months. We are making no money, so how are we supposed to pay higher taxes. Everything in this town is involved with oil & gas and we've been making no money. So, how are we supposed to pay higher taxes? City Manager McCuiston – What I am trying to do is maintain the services that are in place now and in order to fund those services it takes so much money. Helen Burton – Well, it's got to come from somewhere else when people are not getting any money. People that are taxpaying people in this town are moving because of the taxes, the water bills, all of that stuff. We are losing all of our bill

paying people. They have raised our taxes on our minerals; how do you raise them on our minerals when we're not making any money? They raised our taxes on our house, the value and now you want to raise the tax rate – enough is enough. We can't do it, you need to take it from somewhere else. We paid tons of money when times were good and I don't know what happened to that money. But, now that times aren't good, we just can't pay it. It's not just one property when you have oil leases, it's a bunch of money and I don't know where that's supposed to come from when you're not getting any money.

City Manager McCuiston – I am open to suggestions where else you think I can get that money, but I'm not aware of any. Helen Burton – Lots of entities that vote their own raises in here and I haven't seen them vote anything down, now that the money is bad here. I mean it's got to come from somewhere else, the people are taxed out. Bob Sims – I totally agree with Helen. Our taxes since we have lived up on Ridge Road have more than doubled over the years. Helen – Yes, that's what I am saying. Bob Sims – All of us are working class people. Helen – Yeah, and people are leaving. The people that are the working people here that have been paying taxes for years are fed up and they are leaving. They are putting their houses up for sale and going somewhere where they are not killing us. City Manager McCuiston – We could reduce the tax rate, but what we would have to do is reduce services. I need you to tell me which services you would like to reduce fewer fireman, fewer policeman, you want to close the Parks, you want to quit maintaining the streets; I just need to know.

Bob Sims – I think, and I am just talking for myself, Andy; I think we have a great park and pool area; I myself don't want to see another penny spent down there on anything. There is too many other places and where the money comes from I don't know. Helen Burton – We are not privy to that. I don't know where the money goes from lots and lots of taxes. Bob Sims – I would hope that the money would go to something else, where we need it. Now, I guess what you are saying is if we can't get a tax increase that we will have to cut back in different departments or different areas and that may be an unfortunate deal, but that may be where it is at. I wish I had a better answer. Helen Burton – You can't do it to the people that aren't making any money. I mean I don't know where you think we're going to come up with any more money, we can't even pay what we got now because we haven't had checks. The oil and gas isn't going up its coming down, which means we are going in the hole.

City Manager McCuiston – I have cut 10 positions since I came here 5 years ago. That's significant for this size City and staff that we have. It's not that I haven't been trying to find places to cut. When the oil field declined about 3 years ago and our revenues began to decline, I started making cuts at that time. We have stopped buying equipment, we quit making transfers that we had been making to build our reserves and we have

decreased our reserves. It is not that we haven't been looking in other areas. Raising the tax rate is the last we had to do.

Helen Burton – I don't know where you're going to get it from, I can't pay anymore. I've got two houses and leases. So, when you just do it a little bit for someone that just has one house then that's one thing; but it's every one of my properties and I have no money coming in and I haven't for three years. So, I don't know what you expect us to do.

Mayor McKay – well I guess that's where we're at, what are you suggesting that we do?  
Helen Burton – I don't know what the suggestion is; I just know that this is an oil field town and the oil fields are dead, it's not generating any money for the people that's in it. We can't afford to pay more taxes on top of that. There has got to be some other way to do it. Mayor McKay – I know on the oil field side my leases are shut in or not doing anything. Helen Burton – We are going in the hole.

Tommy Dittmar – It seems that the solution is always to raise taxes. Our federal government is doing that now, Republicans and Trump want to lower taxes and the Democrats want to raise taxes.

Mayor McKay – Well, what Andy was explaining to do and the Commission we are aware of the situation in Breckenridge. When the oil fields are down and the cattle is down the City doesn't make any more money, the revenues are down. Hele Burton – You may have to cut salaries. There are lots of salaried people on the County and the City. Mayor McKay – We don't have anything to do on the County side. On the City side it takes a staff to maintain the services.

Bob Sims – What services might be affected if there is not an increase? Mayor McKay – To provide a balanced budget to provide the services for Fire, Police, Water, Sewer, Streets and others. That money has to come from somewhere and if you cut the staff and you have no one to run the water and sewer plants or work on streets then you have no water or sewer. There's a point there (interrupted). Helen Burton – I just paid a \$506 water bill. So, I mean they are just hitting us from every side, knowing we have no money coming in. All you have to do is look at the prices. Mayor McKay – I know I pay a large water bill myself. We are at a point to have those services this is what it is going to cost. We are 10 employees less than we had five years ago. Trying to keep up with services like water leaks and potholes is more difficult when you have a skeleton crew. You need the manpower to maintain services.

Helen Burton – I know this isn't politically correct, but for years and years when oil and gas was good we paid tons and tons of taxes and the City doesn't look any better now and it didn't look any better then. So, where did all of that money go? City Manager McCuiston – I am not sure I agree with that statement. Helen Burton – Our streets, our

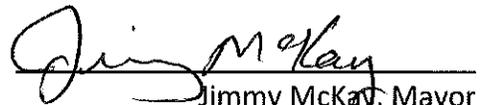
schools, they haven't been great for a long time. And there have been lots of taxes paid when oil and gas were good. City Manager McCuistion – we have spent \$850,000 this year on streets. The streets we fixed look a lot better. Helen Burton – The ones that are fixed, yes. City Manager McCuistion – There is never enough money to fix them all at the same time. We just got to do what we can with the money we have. Bob Sims – Out of curiosity, what percentage, if it is known, of people that don't pay their taxes? We know that there is so many of them that ignore it. And maybe for a number of years before they come down on them. City Manager McCuistion – We have tax attorney's that address those issues, if they don't pay them for three years, then they take them over here on the court house steps and auction them off. If they abandon them all together and quit paying taxes and the house falls down, then we have to go clean them up. We have cleaned 62 houses up in the last five years.

City Manager McCuistion – We could not fix all the streets till we replaced the water lines underneath them. We don't want to lay a new street on top of old water lines and then have to dig them up. We have replaced \$1,700,000 worth of water lines and on those streets we were able to put asphalt on them. We can't do all the streets until we repair the water lines. There is never enough money. This is an old oil field town and it has been neglected for many years. Helen Burton – Why has it been neglected when there was such good times when we were paying tons of taxes? City Manager McCuistion – I am not going to ding those folks that were here making those decisions. I don't know what they did or what they were looking at. I am just saying this is what I inherited when I came here and we are trying to make a difference and fix some of those problems that we are finding. Money only goes so far. We have borrowed close to \$11,000,000 for capital projects that we are trying to do now. \$5.4 million is going to be paid back in 40 years. City's only have so much debt and can only borrow so much money. As we borrow that money and increase our debt service, which is where part of the tax rate goes to pay that debt back. I am open to solutions. If you all want to cut services, I am open to hear what services you would like to cut back. Helen Burton – I don't know what the past City Manager, Administrators, or Commissions did with the money because they didn't do streets like you are doing now. Visibly they weren't doing anything we could see, and we were paying a lot of taxes. Now when we are hurting, they are wanting to raise the taxes again and we can't pay it. I don't know what to tell you on where to cut on services because I am not in that business. Half of the town is for sale because people are leaving here. When I first came here, Breckenridge was nicer than Graham. Why is Graham so much nicer than we are now? Is it because the people who were running this town didn't run it right or what? I have been fighting taxes, they quadrupled mineral taxes, property taxes went up when they claimed my gazebo was new and it has been there for 20 years. Every time I turn around they are making me pay more in taxes for less. I am tired of it.

Mayor McKay – We don't set the evaluations, we don't have anything to do with that. I know what you are saying, I got an increase on my evaluation. Getting back to the proposed tax rate, short of cutting the services in town, there is nowhere else to go. Helen Burton – I guess I need a list of services that we can cut to know what to do. Mayor McKay – Fire, Street, Water, Police are some of the services we provide. We can't do anything about the oil field going down. I hate that we are losing people, but we are gaining people. The last few years we got Tractor Supply, Hibbett Sports, and Dollar Tree so there are things still here and coming in that are new. The more that comes in, drives the taxes. Helen Burton – Didn't we do a sales tax deal for our streets? Mayor McKay – Yes we did. City Manager McCuiston – That's the money we are spending this year. Helen Burton – I don't know what the answer is. I just know I can't pay anymore.

Mayor McKay asks if there is anyone else who would like to address the Commission. If not, I will declare this public hearing closed.

Meeting closed at 5:50 P.M.

  
Jimmy McKay, Mayor



Heather Robertson-Caraway, City Secretary

